

December 7, 2006

**Via Electronic Filing**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th St., S.W.  
Washington, DC 20554

**Re: Notice of *Ex Parte* Presentation in WT Docket No. 06-150, Service Rules  
for the 698-746, 747-762, and 777-792 MHz Bands**

Dear Ms. Dortch:

On December 7, 2006, on behalf of the U.S. Small Business Administration (SBA) Office of Advocacy, Charles Maresca, Director of Interagency Affairs; Eric Menge, Assistant Chief Counsel; and Bruce Lundegren, Assistant Chief Counsel met with the following officials of the Federal Communications Commission (FCC): Paul D'Ari, Deputy Chief for Spectrum Policy of the Spectrum & Competition Policy Division of the Wireless Telecommunications Bureau and Gary Michaels and Erik Salovaara of the Auctions and Spectrum Access Division of the Wireless Telecommunications Bureau. Advocacy discussed the FCC's initial regulatory flexibility analysis (IRFA) for its recent proposed rulemaking in the proceeding listed above. This letter summarizes the points Advocacy stated at the meeting.

The FCC has made a significant effort to comply with the RFA in this rulemaking, and Advocacy commends that effort. The IRFA identifies projected compliance requirements and analyzes the impact on small business. The FCC discusses many alternatives available to the agency for the service rules in the 700 MHz Band, including licensing in smaller service areas.

Advocacy believes the FCC should review the size of license areas contemplated by the proposed rule. At Advocacy's roundtable on August 3, 2006 which discussed the FCC's spectrum policies, participating small businesses identified the size of the license areas as the single greatest regulatory barrier to providing wireless services. In addition to encouraging small business participation, small license areas give more flexibility for tailoring wireless coverage, encourage more rapid build-out of licenses, encourage build-out in rural areas, and often receive higher bids "per pop" in the license area. For these reasons, the FCC should allocate a substantial portion of the 700 MHz spectrum using small licensing areas.

Several commenters have presented endorsed licensing plans which would allocate more spectrum in smaller license areas while allocating other portions of the 700 MHz in large regional licenses. This combination approach was used with significant success in the FCC's Advanced Wireless Services auction (Auction #66). The FCC should analyze the combination approach for allocating the 700 MHz Band, as well as other licensing plans, in its final regulatory flexibility analysis (FRFA) to see if they minimize regulatory impacts on small businesses.

Please contact Charles Maresca at (202) 205-6949 or [charles.maresca@sba.gov](mailto:charles.maresca@sba.gov) if you have any questions regarding this filing.

Sincerely,

/s/ \_\_\_\_\_  
Thomas M. Sullivan  
Chief Counsel of Advocacy

/s/ \_\_\_\_\_  
Eric E. Menge  
Assistant Chief Counsel for  
Telecommunications

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cc:  
FCC Chairman Kevin J. Martin  
FCC Commissioner Deborah Taylor Tate  
FCC Commissioner Michael J. Copps  
FCC Commissioner Jonathan S. Adelstein  
FCC Commissioner Robert M. McDowell  
Steven D. Aitken, Acting Administrator, Office of Information and Regulatory  
Affairs